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Federal Communications Commission
Washington, D.C. 20554

December 9, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Jim Frame
Vice President, Operations
National Exchange Carrier Association
100 South Jefferson Road
Whippany, NJ 07981

Re: CC Docket No. 80-286 - *Jurisdictional Separations Reform* – Request for Certain
Cost Data for NECA Member Companies

Dear Mr. Frame:

The purpose of this letter is to request the National Exchange Carrier Association (NECA) to provide the Federal Communications Commission (Commission) and the Federal-State Joint Board on Separations (Joint Board) with certain cost data for NECA member companies, to assist us in our consideration of Part 36 reform proposals.

As you may know, the Commission and the Joint Board are currently in the midst of a proceeding to review the existing Part 36 separations rules, and to consider ways in which the current separations process can be reformed to make it more efficient in light of legislative, technological, and market changes.¹ To assist the Commission and the Joint Board in its deliberations in this proceeding, the State Members of the Joint Board filed a separations cost study analysis tool on October 27, 1999, and requested that the Commission seek comment on the use of this tool to evaluate separations reform proposals. The Commission released a *Public Notice* on December 1, 1999, seeking comment on the use of this tool.²

In order to use the cost study analysis tool to evaluate the impact of various separations reform proposals on all incumbent LECs subject to Part 36, including proposals to “freeze” the current jurisdictional allocation factors and/or separations categories, the Commission and the Joint Board require cost and access line data for NECA member companies. Data for NECA member companies will allow the Commission and the Joint Board to fully assess the impact of separations reform proposals on smaller incumbent LECs that are not subject to ARMIS reporting requirements. Please provide, for each study area served by a NECA member company, cost and access line data for each of the years 1996, 1997 and 1998. The data should be

¹ See *Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, Notice of Proposed Rulemaking, CC Docket No. 80-286, 12 FCC Rcd 22120 (1997).

² See *Formal Request from State Members of Federal-State Joint Board on Separations for Notice and Comment on Separations Simulation Cost Study Tool*, Public Notice, DA 99-2677 (rel. Dec. 1, 1999).

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provided to the Common Carrier Bureau in the format as shown in the attached template, and NECA should:

- Create one file for each state with the first two columns assigning a line number and label for the specific type of reported data, similar to ARMIS reporting categories. A line for reporting the total number of switched access lines is contained in this template.
- Identify, for each category, the Total Company and Total Interstate cost data and access line information for each of the years 1996, 1997, and 1998, for each NECA member company in the state, with masked company numbers assigned by NECA.
- For companies for whom 1998 data is not yet available, the 1998 data field headings for those companies should still be included in the data presentation, but left blank. As this data becomes available, NECA should send this data to the Common Carrier Bureau with the same formatting so that it can be easily inserted into the total data report.

The data provided by NECA will be used by the State and Federal Joint Board Commissioners and staff in conjunction with the simulation cost study analysis tool to assess the impact of various separations reform proposals on all incumbent LECs, including smaller NECA cost company LECs. Given the time-sensitive nature of this proceeding, we request that NECA provide this data no later than **December 17, 1999**. Thank you in advance for your compliance with this request. Should you have any questions, please contact Sharon Webber, Deputy Chief, Accounting Policy Division, at (202) 418-7372.

Sincerely,

A handwritten signature in black ink, appearing to read "Yog Varma", with a long horizontal stroke extending to the right.

Yog Varma, Deputy Chief
Common Carrier Bureau

Attachment: Data Reporting Template

		1996		1997		1998	
Line	Description	Total Company	Total Interstate	Total Company	Total Interstate	Total Company	Total Interstate
110	2110 - GSF						
120	2210 - COE - Tandem Switch						
130	2210 - COE - Local Switch						
140	2220 - Operator Systems						
150	2230 - COE Trans. Cat. 4.11- WDBD Exch. Line						
160	2230 - COE Trans. Cat. 4.12 - Exch. Trunk						
170	2230 - COE Trans. Cat. 4.13 - Loop - Msg						
180	2230 - COE Trans. Cat. 4.13 - Loop - PL						
190	2230 - COE Trans. Cat. 4.2 - IX Trunk - Msg						
200	2230 - COE Trans. Cat. 4.2 - IX Trunk - PL						
210	2230 - COE Trans. Cat. 4.3 - Host/Remote - Msg						
220	2230 - COE Trans. Cat. 4.3 - Host/Remote - PL						
230	2310 - Information Orig/Term - Msg						
240	2310 - Information Orig/Term - PL						
250	2410 - C&WF Cat. 1 - Loop - Msg						
260	2410 - C&WF Cat. 1 - Loop - PL						
270	2410 - C&WF Cat. 2 - Exch. Trunk						
280	2410 - C&WF Cat. 3 - IX Trunk - Msg						
290	2410 - C&WF Cat. 3 - IX Trunk - PL						
300	2410 - C&WF Cat. 4 - Host/Remote Trunk - Msg						
310	2410 - C&WF Cat. 4- Host/Remote Trunk - PL						
320	2680 - Tangible Assets						
330	2690 - Intangible Assets						
340	2001 - Telephone Plant In Service						
350	Equal Access Investment						
360	Other Equal Access Investment						
370	2002 - Property Held for Future Use						
380	2003 - Plant Under Construction						
390	2005 - Telephone Plant Adjustment						
400	1220 - Material & Supplies						
410	1402 - Invest in Non-Affil Comp (RTB Stock)						
420	Cash Working Capital						
430	1410 - Other Jurisdictional Assets						
440	3100 - Accumulated Depreciation - GSF						

		1996		1997		1998	
Line	Description	Total Company	Total Interstate	Total Company	Total Interstate	Total Company	Total Interstate
450	3100 - Accumulated Depreciation - COE SW						
460	3100 - Acc Depreciation - COE OPER SVCS						
470	3100 - Accumulated Depreciation - COE TRANS						
480	3100 - Accumulated Depreciation - IOT						
490	3100 - Accumulated Depreciation - C&WF						
500	3100 - Accumulated Depreciation - Eq Acc						
510	3100 - Accumulated Depreciation - OTHER						
520	3200 - Accum Depr - Prop Hld Fut Use						
530	3400 - Accum Amort - Tangible						
540	3500 - Accum Amort - Intangible						
550	3600 - Accum Amort - Other						
560	4100 & 4340 - Deferred Taxes - GSF						
570	4100 & 4340 - Deferred Taxes - COE SW						
580	4100 & 4340 - Deferred Taxes - OPER SVCS						
590	4100 & 4340 - Deferred Taxes - COE TRANS						
600	4100 & 4340 - Deferred Taxes - IOT						
610	4100 & 4340 - Deferred Taxes - C&WF						
620	4100 & 4340 - Deferred Taxes - Eq Acc						
630	4100 & 4340 - Deferred Taxes - OTHER						
640	4370 - Other Jurisdictional Liabilities & Deferred Credits						
650	4040 - Customer Deposits						
660	6110 - Network Support						
670	6120 - General Support						
680	6210 - Central Office Switching						
690	6220 - Operator Systems						
700	6230 - Central Office Transmission						
710	6310 - Information Orig/Term						
720	6410 - Cable & Wire Facilities						
730	6510 - Other Property, Plt & Equip						
740	6530 - Network Operations						
750	6540 - Access						
760	6560 - Depr and Amort - GSF						
770	6560 - Depr and Amort - COE SW						
780	6560 - Depr and Amort - COE OPER SVCS						

Alaska

		1996		1997		1998	
Line	Description	Total Company	Total Interstate	Total Company	Total Interstate	Total Company	Total Interstate
790	6560 - Depr and Amort - COE TRANS						
800	6560 - Depr and Amort - IOT						
810	6560 - Depr and Amort - C&WF						
820	6560 - Depr and Amort - EA						
822	6563 - Amort - Tangible Assets						
824	6564 - Amort - Intangible Assets						
830	6560 - Depr and Amort - OTHER						
840	6610 - Marketing						
850	6620 - Customer Services Expense - Total						
860	Telephone Operator Services Expenses						
870	Published Directory Listing Expenses						
880	Alpha						
890	Classified						
900	Foreign						
910	Category 1 - Local Business Office Expenses - Total						
920	(a) End User Service Order Processing Expenses						
930	(b) End User Payment and Collection Expenses						
940	(c) End User Billing Inquiry Expenses						
950	(d) Interexchange Carrier Service Order Processing Exp						
960	(e) Interexchange Carrier Payment and Collection Exp						
970	(f) Interexchange Carrier Billing Inquiry Expenses						
980	(g) Coin Collection and Administration Expenses						
990	Category 2 - Total Cust Svc Exp (Revenue Accounting)						
1000	(a) Message Processing Expenses						
1010	(b) Other Billing and Collecting Expenses						
1020	(c) Carrier Access Charge Billing and Collecting Exp						
1030	Category 3 - All Other Customer Services Expenses						
1040	6710 - Executive						
1050	6720 - General & Administrative - Total						
1060	6720 - EAS						
1070	7240 - Operating Taxes - Other						
1080	7200 - Operating Taxes - ITC						
1090	7500 - Fixed Charges						
1100	Other Tax Adjustments						

Alaska

		1996		1997		1998	
Line	Description	Total Company	Total Interstate	Total Company	Total Interstate	Total Company	Total Interstate
1105	Gross Receipts Tax						
1110	5300 - Uncollectibles						
1120	7340 - AFUDC						
1130	7370 - Contributions						
1140	7540 - Interest on Customer Deposits						
1145	Rent Revenue & Other Adjustments						
1150	COE Cat 3 DEM - unweighted						
1151	COE Cat 3 DEM - weighted						
1160	COE Cat 2 MOU						
1170	Gross Allocator						
1180	Exchange Trunk Jt Use MOU Pct (excl. WB)						
1190	Conversation Minutes						
1200	Host / Remote MOU Miles						
1210	CMM Pct						
1220	Marketing Expense Pct.						
1230	Cat 2 CSE Msg Proc/Toll & Local Msgs.						
1240	Subscriber Line MOU Pct.						
1250	Relative Users Pct						
1260	EA MOU						
1270	WSWS						
1280	Federal Tax Status (N = exempt; T = taxable)						
1281	FIT - Interstate						
1280	Revenue Requirement - Interstate						
1300	Access Lines - Switched						